



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo

#04-14

To: Benefits Administrators
From: Mary P. Habel, Director
State and Local Health Benefits Programs
CC: All OHB
Date: November 24, 2004
Re: State Retiree Health Benefits Program Medicare-Coordinating Plan Premium
Rate Notification for 2005

**State Retiree Health Benefits Program Medicare-Coordinating Plan
Premium Rate Notification for 2005**

The annual rate notification packages to Medicare-eligible participants in the State Retiree Health Benefits Program began mailing on November 19. Following are links to materials that are included in the package:

[Memo to Participants](#) – This is a summary of program information that will affect Medicare-eligible retiree group participants in 2005. For additional detail, please refer to the memo, but highlights include:

- [**New premium rates for 2005**](#)
- **No copayment, coinsurance or benefit changes for 2005**
- **Change in prescription drug administrator for Advantage 65 and Option I/ID Cards**
– Participants in those plans will receive a separate prescription drug card from Medco to use for their drug benefit. Option II participants' drug benefit will continue to be administered by Anthem, but using the Medco pharmacy network. Option II participants will receive only one card for all benefits, including prescription drugs.

- ***Automatic Bank Draft*** – Participants who pay their monthly premium directly to Anthem Blue Cross and Blue Shield may enroll in this program to have their premiums automatically deducted from their bank account. Medicare-eligible direct payers will receive their materials in the rate notification package, and non-Medicare direct payers will receive a separate mailing dated December 7. Any questions regarding automatic bank draft should be directed to Anthem Customer Service at 1-800-552-2682 or, if calling from the Richmond area, (804) 355-8506.
- ***Retraction of Primary Claim Payments Made in Error*** – Beginning in 2005, retiree group participants who fail to report Medicare eligibility will have primary claim payments made the state program retracted when Medicare should have been primary. It will be the responsibility of the participant to re-file these claims with Medicare. Upon receipt of the Medicare Summary Notice (EOB), the state plan will process appropriate secondary payment.
- ***Late Premium Payments*** – Beginning in 2005, retiree group participants who do not make their premium payment by the coverage month/due date will have all claims, including prescription drugs, put on hold until the premium is paid. As always, premiums that remain unpaid for 31 days after the due date may result in termination of coverage. A hold on claims will be reflected in the BES system with a bill premium code 09. This claims-hold process will be administered by Anthem.

Open Forum Newsletter – This publication includes items of interest directed to Medicare-eligible participants. This issue includes a response to a frequently-asked retiree group question regarding dental benefits, as well as current information regarding Medicare prescription drug discounts and the 2006 Medicare prescription drug plan.

Additional Resources:

- **Retiree/LTD Enrollment Form** – This form has been updated for January 2005 and is also available for ordering by submitting a Material Orders Form.
- **Member Handbook Notification(s) of Change** (updates to be posted in mid-December) – Handbook updates will be distributed with new Anthem ID cards for 2005. New complete handbooks will not be issued at this time.
- **Medicare Options Brochure** – A 2005 version of this Medicare plan summary is now available. It will only be available at the DHRM Web site and may not be ordered as a printed item.
- **Retiree Fact Sheets** – Retiree Fact Sheets are good resources for information regarding retiree-specific topics and may be used by Benefits Administrators for their own information or shared with participants, including employees thinking about retirement or preparing to start long-term disability.

General Retiree Group Information:

New Retiree Group Participants – If you have a new retiree, survivor or LTD participant who enrolls in Advantage 65 during the months of November and December with an effective date prior to January 1, 2005, please provide them with a copy of the rate notification memo and *Open Forum* newsletter. The mailing list for these materials was created on November 10, so any additions to the Medicare plans keyed after that date will not receive a package by mail.

Mailing Schedule – This Medicare plan mailing will not go out to all participants on the same day. The last mailing group will go out on November 29. If you get questions from existing participants who have not yet received a package, please assure them that it is on the way. To avoid customer service issues, the mailing was evenly distributed over three mailing dates so that, hopefully, Benefits Administrators and vendors will not receive questions from participants all at once.

New Retirees/LTD Participants Waiving Coverage – When assisting new retirees or LTD participants who wish to waive coverage to participate as dependents under the active state program (or another state retiree), please keep in mind that the start of retiree group coverage is not prospective, but enrollment due to a qualifying midyear event is prospective. Be sure to time the waiver and enrollment so that they have the same effective dates. For example, if you have a new retiree effective January 1, they may waive their coverage within 31 days of the retirement date, and the effective date would still be January 1. However, if an enrollment form were submitted after December 31 to add the retiree to the spouse's active coverage (due to the retiree's termination of employment), the effective date of the active dependent coverage would be February 1, resulting in a gap in coverage.